IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

TUESDAY MORNING CORPORATION,

§ §

Plaintiff-counterdefendant,

Civil Action No. 3:11-CV-0359-D

VS.

\$ \$ \$

TRADEWINDS TEXTILES, INC., et al.,

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Defendants-counterplaintiffs. §

ORDER

After making an independent review of the pleadings, files, and records in this case, and the December 9, 2011 findings and recommendation of the magistrate judge, the court concludes that the findings and conclusions are correct and are therefore adopted as follows.

Plaintiff-counterdefendant Tuesday Morning Corporation's ("Tuesday Morning's") November 16, 2011 motion for sanctions is granted. The pleadings of defendants-counterplaintiffs Tradewinds Textiles, Inc. ("Tradewinds") and Sanjay Sharma ("Sharma") are stricken, default judgment is entered against Tradewinds and Sharma on the issue of liability, and the counterclaim of Tradewinds and Sharma is dismissed with prejudice.

The court concludes that it cannot determine an award of damages and attorney's fees without conducting an evidentiary hearing. Accordingly, counsel for Tuesday Morning is directed to contact the court to arrange a setting for such a hearing.

SO ORDERED.

January 19, 2012.

SIDNE¶ A. FITZ' CHIEF JUDGE